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TRADE AND DEVELOPMENT BOARD
Commission on Trade in Goods and Services, and Commodities
Expert Meeting on the Diversification of Production and Exports in Commodity Dependent Developing Countries, including Single Commodity Exporters, for Industrialization and Development, taking into account the Special Needs of LDCs
Geneva, 26–28 June 2002
Item 2 of the provisional agenda

PROVISIONAL AGENDA AND ANNOTATIONS

I. Provisional agenda

1. Election of officers
2. Adoption of the agenda and organization of work
3. Diversification of production and exports in commodity-dependent developing countries, including single-commodity exporters, for industrialization and development, taking into account the special needs of LDCs
4. Adoption of the report of the Meeting

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II. Annotations to the provisional agenda

Item 1: Election of officers

1. It is recommended that the Expert Meeting elect a Chairperson and a Vice-Chairperson-cum-Rapporteur.

Item 2: Adoption of the agenda and organization of work

2. The provisional agenda for the Expert Meeting is reproduced in section I above. The provisional schedule of meetings for the three days is attached to this document.

Item 3: Diversification of production and exports in commodity-dependent developing countries, including single-commodity exporters, for industrialization and development, taking into account the special needs of LDCs

3. In many commodity-dependent developing countries, in particular least developed countries, the commodity sector has not functioned as an engine of growth and industrialization. To do so, the commodity sector has to undergo a deliberate and dynamic transformation and diversification. Diversification not only generates more investable resources and leads to a reduction in vulnerability to external shocks, but it also entails a change in business mentality.

4. Experts will consider what can be done to break the vicious cycle of dependence, and discuss practical recommendations to turn it into a virtuous cycle of dynamism and development. Governments have to act in certain critical areas, and entrepreneurs have to adopt modern business strategies consciously.

5. The likely areas of focus in the discussion are: dependence and its effects; problems stemming from the international trading system; ways and means of meeting the requirements of international markets; finance of diversification; the general case of countries dependent on mining. The Meeting is also expected to consider how countries that cannot expect to diversify owing to physical or other constraints can utilize their commodity sectors for development and structural transformation. While many of the requirements are the same as those for other commodity-dependent developing countries, their special conditions would merit some specific consideration.

Documentation

TD/B/COM.1/EM.18/2 Ways to enhance diversification of production and exports in commodity-dependent developing countries, including single-commodity exporters, for industrialization and development, taking into account the special needs of LDCs

Item 4: Adoption of the report of the Meeting

6. The report of the Expert Meeting will be submitted to the Commission on Trade in Goods and Services, and Commodities at its seventh session in February 2003. The Expert Meeting may wish to authorize the Rapporteur, under the authority of the Chairperson, to prepare the final report after the conclusion of the Meeting.

SCHEDULE OF THE MEETING

Day 1 (26 June 2002)	**Day 2 (27 June 2002)**	**Day 3 (28 June 2002)**
(10 a.m. – 1 p.m.)	**(10 a.m. – 1 p.m.)**	**(10 a.m. – 1 p.m.)**
Plenary **Opening statement** **Item 1:** Election of officers **Item 2:** Adoption of the agenda and organization of work Informals **Item 3:** Diversification of production and exports in commodity-dependent developing countries, including single commodity exporters, for industrialization and development, taking into account special needs of LDCs	Informals (continued) **Item 3:** (continued)	Informals (continued) **Item 3:** (continued)
(3 p.m. – 6 p.m.)	**(3 p.m. – 6 p.m.)**	**(3 p.m. – 6 p.m.)**
Informals (continued) **Item 3:** (continued)	Informals (continued) **Item 3**: (continued)	Plenary (closing) **Item 4**: Adoption of the report of the Meeting

Inputs from experts

Experts nominated by member States are invited to submit brief papers in advance of the meeting to the UNCTAD secretariat. Papers will be made available to other participants at the meeting in the form and language in which they are received.

To facilitate a structured exchange of national experiences, experts are invited (but not required) to take into account the questions below when preparing their inputs. Experts may choose to give special attention to one or more topics which are of most relevance to their national experience and from which lessons could be drawn for the benefit of the other participants. Concrete illustrative examples are encouraged.

The following are some questions that the experts may wish to address, from the point of view of their countries, in their submissions.

1. What are the most important trade barriers affecting diversification and industrialization in commodity-dependent developing countries (CDDCs)? What should be the priority areas of negotiation for these countries, in particular single-commodity exporters, in the post-Doha framework? Can the interests of different groups of CDDCs be reconciled, for instance, in relation to the Development Box? What would be the most efficient forms of special and differential treatment for facilitating diversification and industrialization?

2. Would significant liberalization lead to more fundamental gains than preferential tariff margins? Should the emphasis in negotiations be on reduction of agricultural protectionism for the benefit of all exporters or on special and differential treatment?

3. What are the most important areas of technical assistance and what is the best mode of delivery and dissemination? What should be the place of technical assistance requirements in the WTO negotiations?

4. Are SPS and TBT requirements for processed products easier to meet than those for fresh ones? How significant are the quality and other requirements set by importing firms? Do standards set by different firms vary much, leading to difficulties in compliance and switching between buyers?

5. What are the most beneficial aspects of links with foreign companies? How can these be promoted and strengthened?

6. Is it possible to make a general statement about the most advantageous point of entry into international commodity chains, taking into account the labour intensity of different stages and the oligopolistic nature of markets?

7. What is the impact of the increasing influence of supermarkets in international food trade? How important would it be if CDDCs were financially assisted to obtain premium shelf space in supermarkets?

8. What are the most cost-effective means for "differentiation"? Would "regional branding programmes" be feasible and meaningful?

9. What are the most important gaps in research and development and what is the best mode of delivery and dissemination?

10. What are the most important areas of government support in different types of CDDCs? How should such support be organized so that it reaches those in greatest need for this support?

11. Would local and regional markets be a meaningful stepping stone for diversification and entering international markets?

12. What demands can be made of large transnational companies that would assist in diversification and industrialization?

13. What are the best ways for ensuring that natural resource rents and profits made from exporting are used for further development and industrialization?

14. Are there practical ways to alleviate difficulties caused by the cost and availability of transport?

15. What are the best means for improving the availability of finance for the agriculture sector and for diversification projects? What changes are needed in domestic legislation?

16. What can be expected from international commodity organizations and the Common Fund for Commodities as support for diversification? How can they be strengthened in this respect?

17. Given its mandate and expertise, what would be an effective and efficient role for UNCTAD in assisting diversification and industrialization in CDDCs?

Experts are kindly requested to submit their papers (hardcopy and electronic format) by 25 May 2002 to: Djidiack Faye, Commodities Branch, Division on International Trade in Goods and Services, and Commodities, UNCTAD, E.9027, Palais des Nations, CH-1211 Geneva 10, Switzerland, Tel. ++41 22 9176324. Fax: ++41 22 907 0509. E-mail: djidiack.faye@unctad.org